

Message Text

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C O N F I D E N T I A L SECTION 1 OF 2 MILAN 0427

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SUBJECT: CABLE FROM BERGAMO

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SUMMARY - BERGAMO'S DOMINANT CATHOLICS LEADERSHIP
APPEARS DIVIDED OVER WISDOM HAVING BASED ANDREOTTI
GOVERNMENT ON PCI SUPPORT BUT UNITED IN DISSATISFACTION
WITH FAILURE IMPROVE QUALITY OF CABINET. ECONOMY
MEANWHILE CONTINUES TO PROSPER. END SUMMARY.

1. JUNIOR COMMERICAL OFFICER AND CONSUL GENERAL MADE
ROUNDS OF BERGAMO MARCH 15 TO MEET WITH NEW PREFECT,
NEW BISHOP, DC MAYOR, PARTY SECRETARIES DC, PCI, PSI,
CISL, CARLO PESENTI, ONE OF ITALY'S INDUSTRIAL GIANTS,
LOCAL CATHOLIC EDITOR, PRESIDENTS CHAMBER OF COMMERCE
AND MANUFACTURERS ASSOCIATION, LEADING BANKER AND TWO
LOCAL ENTREPRENEURS.

2. LONG THE VENETIAN REPUBLIC OUTPOST FACING NEARBY
MILAN, BERGAMO IS ANOTHER CATHOLIC STRONGHOLD OFTEN
DESCRIBED WITH BRESCIA AS THE ITALIAN VENDEE, AND WITH
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ALMOST 58PC OF THE VOTE IN THE PROVINCE, AND ABSOLUTE
CONTROL OF ABOUT 240 OF THE 250 COMUNES IN THE PROVINCE,
THE DC STILL RIDES HIGH. COMMUNISTS, HOWEVER, ROSE FROM
11.3PC TO 18.8 PC IN 1976 ELECTIONS AND COUNT LOCALLY IN
ANYONE'S LANGUAGE.

3. BOTH DC MAYOR, IN MIDFIFTIES AND NOW IN HIS TWELFTH

YEAR IN OFFICE AND NEWLY ELECTED DC PROVINCIAL SECRETARY
IN HIS THIRTIES, AGREED ON TWO POINTS.

4. FIRST, NEW ANDREOTTI CABINET WAS A TREMENDOUS
DISAPPOINTMENT AND WOULD HURT DC LOCALLY. WHILE THE
MAYOR WOULD HAVE PREFERRED ELECTIONS TO THE DEAL WITH
THE PCI AND THE CHAIRMAN ARGUED THE OPPOSITE, BOTH
COMPLAINED THAT IMAGE OF DC FURTHER MARRED BY FAILURE
IMPROVE CABINET. THEY COULD NOT SEE WHY GOOD MINISTERS
SHUFFLED AROUND AND WEAK ONES KEPT WHEN DC NEEDED TO
SHOW THAT IT WAS COMPETENT TO GOVERN COUNTRY.

5. SECOND, MAZZOTTA AND DE CAROLIS HUNDRES WERE A JOKE.

THE MAYOR WAS DISGUSTED THAT THEY HAD CAVED IN AND
APPROVED THE DC-PCI DEAL. THE SECRETARY WAS ANGRY THAT
THEY HAD TRIED TO GO AROUND THE PARTY ORGANIZATION TO
OPPOSE ITS DECISION RATHER THAN WORKING LOYALLY WITHIN.

6. MAYOR, WHO HAS LONG DISDAINED THE DC OLD TIMERS,
REPEATED HIS DISGUST THAT MORO, ANDREOTTI, DONAT CATTIN,
FANFANI AND OTHERS WERE STILL IN POWER. HE ARGUED THAT
THEY WERE SO INTENT ON KEEPING THEIR POWER THAT ANY
DEAL WITH PCI WOULD BE BETTER THAN RISKING ITS LOSS.
MAYOR SIAID THAT WHILE HE COULD NOT SEE ALTERNATIVE TO
ACCEPTING PCI SUPPORT, AT LEAST DC SHOULD HAVE FORCED
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ELECTIONS IN ONE LAST EFFORT TO AVOID INCLUSION. AS
FAR AS HE CONCERNED, NO WAY REMAINED TO KEEP PCI OUT OF
CABINET AFTER THIS GOVERNMENT. SEPTUAGENARIAN CARLO
PESENTI, ONE OF ITALY'S MOST POWERFUL CONSERVATIVES,
SIMILARLY THOUGHT ELECTIONS SHOULD HAVE BEEN HEDL AND
CONFIDENT DC WOULD HAVE SWEEPED FIELD.

7. PROVINCIAL SECRETARY WAS SATISFIED WITH POLITICAL
FORMULA IF NOT WITH CABINET COMPOSITION. HE SAW NO
BENEFIT IN EARLY ELECTIONS FOR WHILE BERGAMO DC COULD
HOPE TO GO OVER 60PC, THAT WOULD NOT CHANGE NATIONAL
PICTURE. CATHOLIC REVIVAL GENUINE, BUT IT WAS SPIRITUAL
AND NOT PARTY ORIENTATED AT ALL. YET, SOME PROGRESS HAD
BEEN MADE IN RE-ESTABLISHING RAPPORT WITH CISL AND
COMUNIONE AND LIBERAZIONE.

8. BOTH DC LEADERS DISPAIRED OF PSI. MAYOR WROTE OFF
PSI AS NEVER LIKELY TO BE REAL PARTNER AND PARTY SECRETARY
SUBSTANTIALLY AGREED.

9. PSI SECRETARY SEVERINO RIVA, LIKE HIS DC AND PCI
OPPOSITE MEMBERS, ABOUT 30, AND AS USUAL, LOCATED IN

MOST RUN DOWN QUARTERS. BERGAMO'S SOCIALISTS HAD GIVEN OVER 90PC OF VOTE FOR PSI CONGRESS TO LOMBARDIANI (LEFT) WING WHICH WOULD SUPPORT CRAXI. RIVA SAID PARTY WAS BEING RE-BUILT AND SAW SIGNS OF REVIVAL. ATTACKING US FOR JAN 12 STATEMENT ON COMMUNISM AS UNACCEPTABLE INTERFERENCE IN ITALIAN AFFAIRS, HE ARGUED THAT PCI HAD TO BE BROUGHT INTO GOVERNMENT TO DENY IT BENEFITS OF CHEAP OPPOSITION. AND HE INSISTED THAT THERE WERE PROFOUND DIFFERENCES BETWEEN PCI AND PSI BUT LIMITED HIMSELF TO A GRIN WHEN IT WAS SUGGESTED THAT PSI MIGHT BE TRYING TO OUTFLANK PCI ON LEFT. RIVA SADLY CONCEDED THAT THE BERGAMO CISL HAD MORE MEMBERS THAN THE PSI HAD WON VOTES BUT EXPLAINED THAT WHILE 40PC OF CGIL WAS PSI A LARGE NUMBER OF SOCIALISTS WERE ALSO ACTIVE IN

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CISL. AMONG OUR CONTACTS, ONLY RIVA AND INDUSTRIAL TYCOON PESENTI ARGUED THAT LOCAL ECONOMY WAS IN SERIOUS TROUBLE, NEITHER AT ALL CONVINCINGLY.

10. PCI PROVINCIAL SECRETARY GIUSEPPE CRIPPA WHOSE HEADQUARTERS WERE BUSY BUT AUSTERE, SAID THAT HE HAD BECOME SECRETARY NOT ONLY AS OLD LEADERSHIP RENEWED BUT ALSO SINCE SO MANY OLDER LEADERS NOW NEEDED IN GOVERNMENT JOBS. HE HAD JUST BEEN ON 3D OR 4TH VISIT TO USSR WHERE HE FOUND YOUTH LEADERS IN FIFTIES AND PROVINCIAL SECRETARIES IN SEVENTIES. SOVIETS COULDN'T UNDERSTAND HOW YOUNGSTERS COULD HOLD SUCH RESPONSIBLE POSITIONS IN ITALY.

11. CRIPPA IS NO SMOOTH INTELECTUAL BUT HE DISPLAYED A SURPRISING KNOWLEDGE OF ORWELL, HEMINGWAY, DOS PASSON AND OTHER WESTERN WRITERS OF WHOM HE SPOKE WITH ADMIRATION. HIS FATHER WAS LIFE LONG COMMUNIST WHILE HIS MOTHER WAS DC, HE SAID, SO HE WAS USED TO TWO PARTY DIALOGUE AND RECIPROCAL TOLERATION.

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12. AS FOR PCI, CRIPPA VOLUNTEERED THAT IT HAD CHANGED AND WOULD CHANGE FARTHER, BUT HE KNEW THAT AMERICANS THOUGHT ALL THIS CHANGE WAS JUST A PUT UP JOB TO DECEIVE OUTSIDERS. IT WAS TRUE, HE VOLUNTEERED, THAT FOR A LONG TIME PCI PROFESSIONS OF DEMOCRACY WERE DELIBERATE DOUBLE TALK. BUT THAT WAS NOW ENDED. HE REALIZED THAT WE PROBABLY WOULD NOT BELIEVE HIM, BUT HE WAS SURE THAT CHANGE WAS GENUINE. THE PCI HAD TO CHANGE BECAUSE THE ENVIRONMENT WITHIN WHICH IT FUNCTIONED HAD CHANGED. IT COULDN'T BECOME A FOSSIL. AS FAR AS HE WAS CONCERNED, THE PCI WAS ABSOLUTELY COMMITTED TO DEMOCRACY WITH A SMALL "D". IT WANTED TO BRING SOCIALISM TO ITALY BUT NOT EASTERN EUROPEAN SOCIALISM AND ONLY IF IT WERE ACCEPTED BY THE PUBLIC. FOR A LONG TIME TO COME, EVEN THEN THERE WOULD BE A ROLE FOR FREE ENTERPRISE AND CAPITALISM.

13. EVEN IF HE AND BERLINGUER REALLY MEANT THAT, HOW COULD OTHERS BE SURE THAT ONCE THEY WERE ADMITTED TO THE CONTROL ROOM, THEY WOULDN'T BE OUSTED BY MOSCOW'S MAN? THAT WASN'T IN THE CARDS, HE INSISTED. THERE WAS JUST NO SUPPORT IN THE PARTY FOR A RETURN TO STALINISM. WE SHOULD REMEMBER WHAT A SHOCK THE WHOLE STALIN EPISODE
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HAD BEEN. THOUSANDS OF INNOCENT CITIZENS HAD BEEN MURDERED. THE PCI WAS NOT GOING TO TURN BACK TO THAT.

14. BUT HOW COULD THE OUTSIDER KNOW WHAT WAS REALLY GOING ON INSIDE THE PCI? IT WAS LIKE THE SOVIET UNION, TIGHTLY CLOSED AND GUIDED BY DEMOCRATIC CENTRALISM. CRIPPA CLAIMED THAT THE PCI COULD JUST AS WELL TELEVISIONIZE ITS CENTRAL COMMITTEE MEETINGS. IT HAD NOTHING TO HIDE. AND IN FACT CHANGES WERE IN THE WORKS IN THE PCI TO OPEN ITS ACTIVITIES TO GREATER PUBLIC SCRUTINY.

15. DID THE US AND OTHER NATO ALLIES REALLY THINK THAT THE PCI WOULD STEAL NATO SECRETS FOR THE RUSSIANS,

CRIPPA ASKED? HE ASSUMED BOTH SIDES ALREADY KNEW ALL ABOUT THE OTHER. PROBLEM, CONGEN REPLIED, WAS LESS SECRETS THAN EXPECTATION THAT PCI WOULD TURN ITALY INTO DEAD WEIGHT IN ALLIANCE AT BEST. CRIPPA SEEMED SURPRISED AND REPLIED THAT HE DIDN'T SEE WHY SINCE NATO WAS LEGITIMATE DEFENSIVE ALLIANCE AND BERLINGUER HAD ENDORSED ALLIANCE WITH CONSIDERABLE BOLDNESS. HE HAD BEEN READING CARILLO'S FAMOUS BOOK AND HE FULLY AGREED WITH IT AND NOT WITH THE FRENCH COMMUNIST PARTY WHICH HAD ALWAYS BEEN THE MOST STALINIST AND WAS SLOWEST TO CHANGE.

16. ECONOMIC INTERVIEWS DREW PICTURE OF STABILITY. 1977 WAS A DISAPPOINTING YEAR FOR BERGAMO BUSINESSMEN, WHO HAD HOPED FOR CONTINUATION OF STRONG RECOVERY BEGUN IN LAST HALF OF 1976. IT DID LAST INTO FIRST QUARTER OF 1977, BUT TIGHT MONEY AND DECREASE IN INTERNAL DEMAND RESULTING IN PART FROM GO'S ECONOMIC STABILIZATION POLICIES BROUGHT PRESENT VIRTUAL STANDSTILL IN GROWTH.

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17. EVEN SO, BERGAMO LEADERS BELIEVE IT HAS SUFFERED LESS THAN THE REST OF ITALY, DUE LARGELY TO UNUSUAL STRONG EXPORT SHOWING. EXPECT FOR 1975, EXPORTS HAVE BEEN GROWING AT MORE THAN 40PC ANNUALLY SINCE EARLY 70'S. DIVERSIFIED NATURE OF ECONOMY AND SMALL SIZE OF AVERAGE FIRM HAVE HELPED SOFTEN IMPACT OF SLOWDOWN.

18. EMPLOYMENT IS UP SLIGHTLY IN PROVINCE WHILE UNEMPLOYMENT HOLDING STEADY AT AROUND 12,000 OR ABOUT 4PC OF LABOR FORCE. DOUBTFUL, HOWEVER, THAT THIS LEVEL COULD BE MUCH REDUCED GIVEN LOCAL STRUCTURAL FACTORS. DIRECTOR OF UNIONE INDUSTRIALI MAINTAINED THAT ECONOMY WAS FULLY EMPLOYED. HOWEVER, MORE THAN 6,000 WORKERS WERE RECEIVING UNEMPLOYMENT INSURANCE PAYMENTS IN DECEMBER OF 1977, AND THE NUMBER HAS DECREASED ONLY SLIGHTLY IN THE FIRST QUARTER OF 1978. YOUTH UNEMPLOYMENT REMAINS AND CENTRAL GOVERNMENT PLAN FOR YOUTH HIRING SEEMS TO HAVE FAILED LOCALLY.

19. INVESTMENT SQUEEZE ALSO CONTINUES. PRESIDENT OF BANCA PROVINCIALE LOMBARDA, SAID THAT ONLY FIRMS REALLY SURVIVING CURRENT CRISES WERE THOSE THAT HAD BASED PREVIOUS INVESTMENTS ON RETAINED EARNINGS RATHER THAN BANK LOANS. HOWEVER, ONE ELECTRICAL EQUIPMENT PRODUCER, SUBSIDY OF MONTEDISON GROUP, WITH FULL ORDER BOOKS EXPECTS PROCEED WITH NEW INVESTMENT THIS SUMMER.

20. SECTORIALLY, TEXTILES REMAIN PROBLEM AREA, ALTHOUGH THE MANY SWISS-BACKED TEXTILE FIRMS IN THE BERGAMO AREA HAVE SHOWN SOME LIFE. IN STEEL, STATE-OWNED DALMINE, THE PROVINCE'S LARGEST EMPLOYER, REMAINS STRONG. CHEMICAL SECTOR FARING WELL AND, SURPRISINGLY, EVEN CONSTRUCTION INDUSTRY NOT CRYING TOO LOUDLY.

21. ABOVE ALL, IT IS BUSINESS AS USUAL IN BERGAMO.
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PROVINCE GIVES IMPRESSION AND CLAIMS TO BE AN ISLAND OF TRANQUILITY IN SEA OF DESPAIR. ATTITUDE BEST SUMMED UPP BY ONE YOUNG ENTREPRENEUR: "I DONT CARE ABOUT THE ECONOMIC CRISES. I DONT CARE ABOUT THE POLITICAL CRISES. I'M HERE TO MAKE MONEY. I LOOK TOTHE FUTURE. IT WORKS."FINA

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Message Attributes

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SAS ID: 3269454
Secure: OPEN
Status: NATIVE
Subject: CABLE FROM BERGAMO
TAGS: ECON, PINT, PFOR, PINR, IT
To: ROME
Type: TE
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